



Navistar, Inc.
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Lisle, IL 60532 USA

John V. Mulvaney, Sr.
VP Finance Special Projects

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Sent by Regular Mail and Facsimile (216-261-8424)

Mr. Donn J. Viola
Chair, Supplemental Benefit Committee
c/o Benefits Administrative Services Co., Inc.
26301 Curtiss-Wright Parkway, Suite 105
Richmond Heights, OH 44143

February 15, 2012

**Re: Supplemental Benefit Trust Profit Sharing Plan under the Navistar, Inc.
Retiree Supplemental Benefit Program**

Dear Mr. Viola:

This letter is sent on behalf of Navistar, Inc. ("Navistar"), in response to your letter to me dated November 14, 2011 requesting various information regarding the Supplemental Benefit Trust Profit Sharing Plan (the "Plan") on behalf of the Supplemental Benefit Committee (the "Committee").

At the outset, we want to briefly comment on some of the statements made in the "Overview And Summary" portion of your November 14 letter. Generally, we simply do not agree with many of the statements made there. Although we have no desire to engage in extended debate at this juncture on every issue, we believe it is important that you have some understanding of Navistar's perspective on certain topics. For example, it is not accurate to state that Navistar "failed to respond" to the Committee's earlier letter dated May 4, 2010. To the contrary, Navistar did respond to that letter in the context of certain litigation that was then pending between the parties to the Shy settlement agreement. Navistar indicated its intent to respond to that letter, but first sought to clarify certain conditions that, in its view, were necessary in light of the pending litigation. The opposing parties declined to agree to those conditions. In any event, now that the litigation has been concluded at the trial court level, Navistar has determined as a measure of good faith that it will proceed to respond to the May 4, 2010 letter. We expect to be able to do so by separate letter to the Committee in the near future.

In addition, Navistar takes exception to the statement in your November 14 letter that "the Company apparently changed its business accounting model" at some point "in or around 2000." To the contrary, Navistar has not changed its accounting practices relating to the Plan at any time, except to the extent required by changes in Generally Accepted Accounting Principles ("GAAP").

With these preliminary comments in mind, we provide below Navistar's responses to the requests for information contained in your November 14 letter. For convenience, we first state some general objections that apply to virtually all of the Committee's requests, and then proceed to address the Committee's requests one at a time in the order set forth in your letter, by restating the request and then responding. Please note that any capitalized terms used herein have the meaning ascribed by the Plan. Also, please understand that any reference herein to GAAP is intended to refer to GAAP as it existed at the time the specific report being referenced was prepared.

EXHIBIT

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GENERAL OBJECTIONS

1. In reviewing the Committee's requests, we note that virtually all of them request that Navistar provide an "explanation" or similar narrative of its position on various issues relating to the Plan, or how Navistar "defines" certain terms under the Plan. Although Navistar is obligated to provide certain information under the terms of the Plan, Navistar is not obligated to provide written responses to questions of this nature and respectfully declines to do so. Navistar objects to all of the Committee's requests for information on this basis to the extent applicable.
2. We further note that virtually all of the Committee's requests seek information extending back in time many years, and/or information that is not relevant to currently pending issues. Obviously, with the passage of time, Navistar's ability to fully and accurately respond to these requests for information is substantially prejudiced. More importantly, Navistar has no obligation to provide such broad information at this late date, nor does Navistar have an obligation to provide any other information that does not relate to the matters that have been timely and properly placed in dispute by the Committee. Navistar objects to all of the Committee's requests for information on this basis to the extent applicable.
3. In addition, virtually all of the Committee's requests seek information which is not relevant or reasonably necessary to review and evaluate Navistar's computation of its Contribution Obligation. As you know, the Plan requires that Qualifying Profits be calculated in accordance with GAAP except where otherwise specifically provided (see Plan Sec. 5.8), and this calculation must be reviewed by a certified public accounting firm (see Plan Sec. 8.2). Navistar's calculation of Qualifying Profits has been reviewed and confirmed by a certified public accounting firm for each Plan year at issue, and the report of the accounting firm along with the worksheet referenced in Plan Sec. 8.1 has been delivered to the Committee for each Plan year (see Plan Sec. 8.2). In light of these facts, much of the information you request is not relevant or necessary to review and evaluate Navistar's computation of its Contribution Obligation. Navistar objects to all of the Committee's requests for information on this basis to the extent applicable.
4. Finally, many of the Committee's requests seek information which is highly proprietary to the Company. Navistar objects to all of the Committee's requests for information on this basis to the extent applicable.

RESPONSES TO SPECIFIC REQUESTS

- A. *The Committee requests that Navistar provide a worksheet detailing each of the elements that it used to calculate the Contribution obligation from 2001-2010, including an identification of each category of data it used to calculate Qualifying Hours and Qualifying Profits. [Footnote 1: Though Navistar has provided the Qualifying Hours for FY2006, the Company has not reported the Qualifying Hours for FYs 2004, 2005, 2007, 2008, 2009, or 2010.] With respect to the requested worksheets, the internally prepared spreadsheet format used by the Company for the Supplemental Trust Profit Sharing Calculation for the year ended October 31, 2010 that was provided and sent to the Committee with the outside audit report would be an acceptable format. Regarding the identification of each category of data the Company used to calculate Qualifying Profits, please provide an annual Statement of Operations (Income Statement) in the same or similar format as included in Navistar's Annual Report filed with the U.S. Securities and Exchange Commission for each individual entity or entity grouping included on the requested worksheet.*

Response: Please see the General Objections stated above. Without waiving those objections, attached please find a reconciliation of the calculation of Qualifying Profits (Losses) to Navistar's audited consolidated financial statements for FY 2004 through 2009, as well as a calculation of Qualifying Hours for the same fiscal years. With regard to the Committee's request for an annual income statement for each individual entity reflected on the reconciliation statements, please be advised that Navistar does not prepare such reports for individual entities for filing with the SEC except for NIC and Navistar, Inc.

- B. *In order to adequately and appropriately understand and evaluate how Navistar is interpreting and implementing the Settlement Agreement as well as to properly review the Schedules of Qualifying Profits, the Committee requests an explanation as to how the Company defines certain terms used in the calculation of Qualifying Profits, and how such terms, and other phrases, have been defined in the past:*

1. *Section 5.2.3 provides that "pre-tax income or losses of continuing Covered Operations," excluding "gain or loss on the sale of assets, other than sale of inventory in the ordinary course of business and trade," shall be included in the sum of Qualifying Profits.*
 - a. *Please provide an explanation of what the Company includes in its definition of "assets," and whether this definition has been consistently used from 1994-2010 when calculating Qualifying Profits?*
 - b. *Please provide a list of all "sale(s) of assets" in any of the years from 1994-2010 that have been excluded from the pre-tax income or loss of the Covered Operations, including the amount of any income or loss associated with each such sale?*

Response: With regard to part (a) of this request, please see the General Objections stated above. Without waiving those objections, please be advised that the Company identifies "assets" pursuant to GAAP. With regard to part (b) of this request, please see the General Objections stated above.

2. *Section 5.2.4 provides that "pre-tax (loss) of NFC; pre-tax losses of NIC on an entity basis; pre-tax income (loss) of any business acquired after the Effective Date; dividends received from Navistar International Corporation Canada; [and] equity in income (loss) from affiliates included in Covered Operations on the Effective Date" shall be excluded in the sum of Qualifying Profits.*
 - a. *Please provide a list or explanation of the business units (including, but not limited to, subsidiaries, affiliates, joint ventures, etc.), profit and/or cost centers, departments, or business functions that are included in the NIC entity as well as the categories of transactions that are included in the Company's calculation of pre-tax income or losses "of NIC on an entity basis."*
 - b. *Please provide a detailed explanation of how the Company now defines "business acquired." This should include, but not be limited to, an explanation of whether the Company includes any entities that it organized and/or started as an "acquired business" for purposes of the Profit Sharing calculation.*
 - c. *Please provide a list of all "business(es) acquired after the Effective Date" within the Company's current interpretation of this phrase along with the following information for each "acquired" business:*
 - 1) *The date and amount of consideration paid for the acquisition;*
 - 2) *The entity from which such business was acquired;*
 - 3) *A copy of the pre-acquisition financial statements filed with the U.S. Securities and Exchange Commission or a copy of the Company's evaluation regarding why the filing of such financial statements was not required;*
 - 4) *An explanation of the nature of each acquired business' operations and revenue streams when it was acquired and currently;*
 - 5) *A list of all assets transferred by the Company from a non-acquired entity to an allegedly "acquired" business (excluding financial assets, but including any fixed or intangible assets as well as any intellectual property, trade secrets, proprietary information, etc.);*
 - 6) *A list of any financial guarantees of the acquired business' obligations (including leases) by a non-acquired business.*

Response: With regard to part (a) of this request, please see the General Objections stated above. Without waiving those objections, please be advised that the Company calculates pre-tax income or losses of NIC pursuant to GAAP. This calculation is included in the footnotes to the Company's annual reports and is publicly available. With regard to part (b) of this request, please see the General Objections stated above. With regard to part (c) of this request, please see the General Objections stated above.

3. *In order to understand how the Settlement Agreement has been implemented, the Committee needs additional information regarding the Company's management reporting methodology, processes, procedures, policies and senior management's directives. Accordingly, please provide us with the following explanations or information:*
- a. Please describe and explain the Company's approach to management reporting, including whether the Company uses a profit and cost center model or something similar, and whether a typical business unit includes multiple profit or cost centers.*
 - b. Please describe and explain the Company's management and financial reporting hierarchy.*
 - c. Please explain whether individual business units are included in multiple legal entities or just one legal entity.*
 - d. Please describe the Company's methodology for allocating costs incurred for corporate functions, centralized or shared services, and similar costs to its various operating business units.*
 - e. Please describe the Company's method for allocating interest and other financing costs to its operating business units.*
 - f. Please describe the Company's method for allocating costs incurred and expensed for research and development activities to its operating business units, both foreign and domestic.*
 - g. Please identify the individual who was responsible for maintaining and implementing changes to the Company's management and financial reporting hierarchy in and around 2000, and who is currently responsible for that function. Please describe the internal controls in place (including required management reviews and approvals) in 2000 and currently regarding requested changes to the reporting hierarchy.*
 - h. Please explain the business purpose of the following entities: Navistar Cayman Islands Intellectual Property Company, Navistar Luxembourg Intellectual Property Company, International Truck Intellectual Property Company, LLC and International Engine Intellectual Property Company, LLC? Please confirm whether these are "acquired businesses" as Navistar defines this term.*

Response: With regard to parts (a) through (h) of this request, please see the General Objections stated above. Without waiving those objections, please be advised that the Company conducts all external financial reporting pursuant to GAAP.

C. During the fiscal year ended October 31, 2000, the Company's Annual Report filed with the U.S. Securities and Exchange Commission reported an accrued liability to the Supplemental Profit Sharing Trust of \$24 million. However, the Company only paid approximately \$3.6 million. What caused the difference between the obligation reported in the Annual Report (which was never reversed) and the amount paid?

Response: Please see the General Objections stated above.

CONCLUSION

In closing, I would again remind the Committee that prior to the restatement of the Company's results for FY 2004, a payment of \$1,409,000 was made to the Trust in February of 2005 for that 2004 Plan year that would not have been made if the restated 2004 results had been known. The Company intends to fully recoup such overpayment in the future at such time that Qualifying Profits warrant a payment by offsetting the 2004 overpayment against any future payments until the 2004 overpayment is fully recovered. Thank you for attending to these matters.

Very truly yours,

A handwritten signature in blue ink that reads "John V. Mulvaney, Sr." with a stylized flourish at the end.

John V. Mulvaney, Sr.
Vice President, Finance Special Projects

Cc:

R. Barry Morris

Mr. Bob Mikulan, UAW

Navistar, Inc.
Supplemental Benefit Trust Profit Sharing Plan Calculation Reconciliation
For the Year Ended October 31, 2004

	2004	
Profit Sharing Entities:		
Navistar, Inc. (Previously ITEC)	\$ (331,051,669)	
Export Company	12,955,794	
Overseas Company	(1,585,105)	
Indianapolis Casting Corporation	(29,259,210)	
GVW Workhorse Custom Chassis LLC (UAW)	-	
IC Corporation (Conway, Arkansas)	<u>13,930,000</u>	
Pre-Tax Income (Loss) of Navistar, Inc. Continuing U.S. Operations Before Provision for Profit Sharing and Bonuses	\$ (335,010,190)	
Net Income Navistar Financial Corporation (NFC)	74,500,565	
Navistar International Corporation (NIC, Holding Company)	<u>39,053,554</u>	
Pre-Tax Income (Loss) of Navistar, Inc. Continuing U.S. Operations Before Provision for Profit Sharing and Bonuses and Adjustments	\$ (221,456,071)	a
Entities not part of UAW calculation (a)		
Pre-Tax Earnings - Net	\$ 160,248,041	
Provision for Taxes - Net	<u>(61,249,965)</u>	
Net Income of Entities not part of UAW Calculations	\$ 98,998,076	b
Profits (Losses) Eligible for Profit Sharing before Adjustments	\$ (122,457,995)	a+b=c
Adjustments		
Medicare Act	(42,919,000)	d
(Gain) / Loss on Disposal of Assets	1,753,000	e
Profits (Losses) Eligible for Profit Sharing	<u>\$ (163,623,995)</u>	c+d+e=y
Addbacks to reconcile to Annual Report		
Taxes on NFC	\$ 39,200,000	
Taxes on UAW Non-Profit Sharing entities	61,249,965	
Medicare Act	42,919,000	
(Gain) / Loss on Disposal of Assets	(1,753,000)	
Non-Consolidated Income	36,143,834	
Profit Sharing and Bonus Payment Accruals (PS/ST/AI)	<u>(49,922,000)</u>	
Total	\$ 127,837,799	z
Pre-Tax Income	\$ (35,786,196)	y+z=j
Income Tax (Expense)/Credit	<u>(9,338,242)</u>	k
Net Income (Loss) from Continuing Operations	<u>\$ (45,124,438)</u>	

Reconciliation to audited financial statements (in millions):		
Income (Loss) from Continuing Operations before income taxes	\$ (36)	j
Income tax (expense) benefit	(9)	k
Net Income (Loss) from Continuing Operations	<u>\$ (45)</u>	
Discontinued operations	0	
Net income	<u>\$ (44)</u>	

- (a) Andriod Industries;
- Arrendadora Financiera Navistar, S.A. de C.V. SOFOM (AFN) merged into Navistar Financial, S.A. de C.V. SOFOM E.N.R. in fiscal 2008;
- MWM International Industria de Motores da America do Sul Ltda. (Brazil and Includes ICB/IESA/Maxon);
- Navistar Canada, Inc. (name changed from International Truck and Engine Corporation Canada in fiscal 2008);
- Navistar International Transportation de Columbia, Ltda.;
- International DealCors Operations, Ltd. [Including Maudin International Parts and Services of Daytona Beach, LLC];
- Harbör Assurance Company of Bermuda, Ltd.;
- Heart International;
- IC Bus of Oklahoma, LLC [changed from IC of Oklahoma, LLC in fiscal 2008];
- Navistar Diesel of Alabama, LLC (name changed from International Diesel of Alabama, LLC in fiscal 2008);
- International Engines Germany GmbH;
- International Truck and Engine Investments Corporation;
- International of Mexico Holding Company;
- Navistar Diesel Components, Inc. (Dissolved fiscal 2009);
- Navistar Acceptance Corporation, Ltd. (NAC);
- Navistar Aftermarket Products, Inc. (NAVAFTRP);
- Navistar Advanced Technologies Incorporated (NAT);
- Navistar Comercial, S.A. de C.V.;
- Newstream Enterprises, LLC;
- NLP, Inc.;
- Servicios Financieros Navistar, S.A. de C.V.(SFN) name changed to Navistar Financial, S.A. de C.V. SOFOM E.N.R. in fiscal 2008;
- SST Truck Company, LLC

Navistar, Inc.

Supplemental Benefit Trust Profit Sharing Plan Calculation Reconciliation
For the Year Ended October 31, 2005

2005	
Profit Sharing Entities:	
Navistar, Inc. (Previously TTEC)	\$ (265,059,509)
Export Company	23,829,063
Overseas Company	(1,729,247)
Indianapolis Casting Corporation	(15,866,364)
GVW Workhorse Custom Chassis LLC (UAW)	(20,877,988)
IC Corporation (Conway, Arkansas)	(4,513,000)
Pre-Tax Income (Loss) of Navistar, Inc. Continuing U.S. Operations Before Provision for Profit Sharing and Bonuses	\$ (284,217,045)
Net Income Navistar Financial Corporation (NFC)	79,176,333
Navistar International Corporation (NIC, Holding Company)	20,830,847
Pre-Tax Income (Loss) of Navistar, Inc. Continuing U.S. Operations Before Provision for Profit Sharing and Bonuses and Adjustments	\$ (184,209,865) a
Entities not part of UAW calculation (a)	
Pre-Tax Earnings - Net	\$ 223,879,622
Provision for Taxes - Net	(167,874,000)
Net Income of Entities not part of UAW Calculations	\$ 56,005,622 b
Profits (Losses) Eligible for Profit Sharing before Adjustments	\$ (128,204,243) a+b=c
Adjustments	
Medicare Act	(45,709,000) d
(Gain) / Loss on Disposal of Assets	1,719,994 e
Profits (Losses) Eligible for Profit Sharing	\$ (172,193,249) c+d+e=y
Addbacks to reconcile to Annual Report	
Taxes on NFC	\$ 44,200,000
Taxes on UAW Non-Profit Sharing entities	167,874,000
Medicare Act	45,709,000
(Gain) / Loss on Disposal of Assets	(1,719,994)
Non-Consolidated Income	90,167,738
Profit Sharing and Bonus Payment Accruals (PS/ST/Al)	(28,103,991)
Total	\$ 318,126,753 z
Pre-Tax Income	\$ 145,933,504 y+z=j
Income Tax (Expense)/Credit	(6,309,218) k
Net Income (Loss) from Continuing Operations	\$ 139,624,286

Reconciliation to audited financial statements (in millions):	
Income (Loss) from Continuing Operations before income taxes	\$ 146
Income tax (expense) benefit	(6)
Net Income (Loss) from Continuing Operations	\$ 140
Discontinued operations	(0)
Net income	\$ 139

(a) Andriod Industries;

Arrendadora Financiera Navistar, S.A. de C.V. SOFOM (AFN) merged into Navistar Financial, S.A. de C.V. SOFOM E.N.R. in fiscal 2008;

MWM International Industria de Motores da America do Sul Ltda. (Brazil and includes ICB/IESA/Maxion);

Navistar Canada, Inc. (name changed from International Truck and Engine Corporation Canada in fiscal 2008)

Navistar International Transportation de Columbia, Ltda.;

International DealCors Operations, Ltd. (including Maudin International Parts and Services of Daytona Beach, LLC);

Harbor Assurance Company of Bermuda, Ltd.;

Heart International;

IC Bus of Oklahoma, LLC (changed from IC of Oklahoma, LLC in fiscal 2008);

Navistar Diesel of Alabama, LLC (name changed from International Diesel of Alabama, LLC in fiscal 2008);

International Engines Germany GmbH;

International Truck and Engine Investments Corporation;

International of Mexico Holding Company;

Navistar Diesel Components, Inc. (Dissolved fiscal 2009);

Navistar Acceptance Corporation, Ltd. (NAC);

Navistar Aftermarket Products, Inc. (NAVAFTRP);

Navistar Advanced Technologies Incorporated (NAT);

Navistar Comercial, S.A. de C.V.;

Newstream Enterprises, LLC;

NLP, Inc.;

Servicios Financieros Navistar, S.A. de C.V.(SFN) name changed to Navistar Financial, S.A. de C.V. SOFOM E.N.R. in fiscal 2008;

SST Truck Company, LLC;

Workhorse International Holding Company;

Uptime Parts, LLC;

International Engineering Solutions, LLC (dissolved in fiscal 2008);

Navistar International Employee Leasing Company (name changed from ITE Employee Leasing in fiscal 2008);

Navistar Defense, LLC

Navistar, Inc.

Supplemental Benefit Trust Profit Sharing Plan Calculation Reconciliation
For the Year Ended October 31, 2006

		2006	
Profit Sharing Entities:			
Navistar, Inc. (Previously (TEC)	\$	(254,713,658)	
Export Company		44,634,108	
Overseas Company		(1,498,933)	
Indianapolis Casting Corporation		(20,977,830)	
GVW Workhorse Custom Chassis LLC (UAW)		(39,662,168)	
IC Corporation (Conway, Arkansas)		31,497,981	
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Pre-Tax Income (Loss) of Navistar, Inc. Continuing U.S. Operations Before Provision for Profit Sharing and Bonuses	\$	(240,720,500)	
Net Income Navistar Financial Corporation (NFC)		80,266,444	
Navistar International Corporation (NIC, Holding Company)		4,815,853	
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Pre-Tax Income (Loss) of Navistar, Inc. Continuing U.S. Operations Before Provision for Profit Sharing and Bonuses and Adjustments	\$	(155,638,203)	a
Entities not part of UAW calculation (a)			
Pre-Tax Earnings - Net	\$	464,112,962	
Provision for Taxes - Net		(303,292,295)	
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Net Income of Entities not part of UAW Calculations	\$	160,820,667	b
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Profits (Losses) Eligible for Profit Sharing before Adjustments	\$	5,182,464	a+b=c
Adjustments			
Medicare Act		(45,159,000)	d
(Gain) / Loss on Disposal of Assets		5,809,019	e
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Profits (Losses) Eligible for Profit Sharing	\$	(34,167,517)	c+d+e=y
Addbacks to reconcile to Annual Report			
Taxes on NFC	\$	47,000,000	
Taxes on UAW Non-Profit Sharing entities		303,292,295	
Medicare Act		45,159,000	
(Gain) / Loss on Disposal of Assets		(5,809,019)	
Non-Consolidated Income		99,275,124	
Profit Sharing and Bonus Payment Accruals (PS/ST/AI)		(58,000,000)	
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Total	\$	430,917,400	z
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Pre-Tax Income	\$	396,749,883	y+z=j
Income Tax (Expense)/Credit		(93,812,886)	k
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Net Income (Loss) from Continuing Operations	\$	302,936,997	

Reconciliation to audited financial statements (in millions):			
Income (Loss) from Continuing Operations Before Income Taxes	\$	397	j
Income tax (expense) benefit		(94)	k
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Net Income (Loss) from Continuing Operations	\$	303	
Discontinued Operations		(2)	
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Net Income	\$	301	

(a) Andriod Industries;

Arrendadora Financiera Navistar, S.A. de C.V. SOFOM (AFN) merged into Navistar Financial, S.A. de C.V. SOFOM E.N.R. in fiscal 2008;
MWM International Industria de Motores da America do Sul Ltda. (Brazil and Includes ICB/IESA/Maxion);
Navistar Canada, Inc. (name changed from International Truck and Engine Corporation Canada in fiscal 2008)
Navistar International Transportation de Columbia, Ltda.;
International DealCors Operations, Ltd. (including Maudin International Parts and Services of Daytona Beach, LLC);
Harbor Assurance Company of Bermuda, Ltd.;
Heart International;
IC Bus of Oklahoma, LLC (changed from IC of Oklahoma, LLC in fiscal 2008);
Navistar Diesel of Alabama, LLC (name changed from International Diesel of Alabama, LLC in fiscal 2008);
International Engines Germany GmbH;
International Truck and Engine Investments Corporation;
International of Mexico Holding Company;
Navistar Diesel Components, Inc. (Dissolved fiscal 2009);
Navistar Acceptance Corporation, Ltd. (NAC);
Navistar Aftermarket Products, Inc. (NAVAFTPR);
Navistar Advanced Technologies Incorporated (NAT);
Navistar Comercial, S.A. de C.V.;
Newstream Enterprises, LLC;
NLP, Inc;
Servicios Financieros Navistar, S.A. de C.V.(SFN) name changed to Navistar Financial, S.A. de C.V. SOFOM E.N.R. in fiscal 2008;
SST Truck Company, LLC;
Workhorse International Holding Company;
Uptime Parts, LLC;
International Engineering Solutions, LLC (dissolved in fiscal 2008);
Navistar International Employee Leasing Company (name changed from ITE Employee Leasing in fiscal 2008);
Navistar Defense, LLC;
International Big Bore Diesel of Alabama, LLC (dissolved in fiscal 2009)

Navistar, Inc.
Supplemental Benefit Trust Profit Sharing Plan Calculation Reconciliation
For the Year Ended October 31, 2007

	2007	
Profit Sharing Entities:		
Navistar, Inc. (Previously ITEC)	\$ (819,725,901)	
Export Company	-	
Overseas Company	(2,110,492)	
Indianapolis Casting Corporation	(19,567,553)	
GVW Workhorse Custom Chassis LLC (UAW)	(38,369,009)	
IC Corporation (Conway, Arkansas)	43,844,697	
Pre-Tax Income (Loss) of Navistar, Inc. Continuing U.S. Operations Before Provision for Profit Sharing and Bonuses	\$ (835,928,257)	
Net Income Navistar Financial Corporation (NFC)	67,300,382	
Navistar International Corporation (NIC, Holding Company)	94,459,748	
Pre-Tax Income (Loss) of Navistar, Inc. Continuing U.S. Operations Before Provision for Profit Sharing and Bonuses and Adjustments	\$ (674,168,128)	a
Entities not part of UAW calculation (a)		
Pre-Tax Earnings - Net	\$ 489,164,990	
Provision for Taxes - Net	(291,235,487)	
Net Income of Entities not part of UAW Calculations	\$ 197,929,503	b
Profits (Losses) Eligible for Profit Sharing before Adjustments	\$ (476,238,626)	a+b=c
Adjustments		
Medicare Act	(40,938,000)	d
(Gain) / Loss on Disposal of Assets	3,622,717	e
Profits (Losses) Eligible for Profit Sharing	\$ (513,553,909)	c+d+e=y
Addbacks to reconcile to Annual Report		
Taxes on NFC	\$ 38,100,000	
Taxes on UAW Non-Profit Sharing entities	291,235,487	
Medicare Act	40,938,000	
(Gain) / Loss on Disposal of Assets	(3,622,717)	
Non-Consolidated Income	73,656,520	
Profit Sharing and Bonus Payment Accruals (PS/ST/AI)	-	
Total	\$ 440,307,291	z
Pre-Tax Income	\$ (73,246,618)	y+z=j
Income Tax (Expense)/Credit	(46,573,614)	k
Net Income (Loss) from Continuing Operations	\$ (119,820,233)	

Reconciliation to audited financial statements (in millions):	
Income (Loss) from Continuing Operations Before Income Taxes	\$ (73)
Income tax (expense) benefit	(47)
Net Income (Loss) from Continuing Operations	\$ (120)
Discontinued Operations	-
Net Income	\$ (120)

(a) Andriod Industries;

Arrendadora Financiera Navistar, S.A. de C.V. SOFOM (AFN) merged into Navistar Financial, S.A. de C.V. SOFOM E.N.R. in fiscal 2008;

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Navistar Canada, Inc. (name changed from International Truck and Engine Corporation Canada in fiscal 2008)

Navistar International Transportation de Columbia, Ltda.;

International DealCors Operations, Ltd. (including Maudin International Parts and Services of Daytona Beach, LLC);

Harbor Assurance Company of Bermuda, Ltd.;

Heart International;

IC Bus of Oklahoma, LLC (changed from IC of Oklahoma, LLC in fiscal 2008);

Navistar Diesel of Alabama, LLC (name changed from International Diesel of Alabama, LLC in fiscal 2008);

International Engines Germany GmbH;

International Truck and Engine Investments Corporation;

International of Mexico Holding Company;

Navistar Diesel Components, Inc. (Dissolved fiscal 2009);

Navistar Acceptance Corporation, Ltd. (NAC);

Navistar Aftermarket Products, Inc. (NAVAFTRP);

Navistar Advanced Technologies Incorporated (NAT);

Navistar Comercial, S.A. de C.V.;

Newstream Enterprises, LLC;

NLP, Inc.;

Servicios Financieros Navistar, S.A. de C.V.(SFN) name changed to Navistar Financial, S.A. de C.V. SOFOM E.N.R. in fiscal 2008;

SST Truck Company, LLC;

Workhorse International Holding Company;

Uptime Parts, LLC;

International Engineering Solutions, LLC (dissolved in fiscal 2008);

Navistar International Employee Leasing Company (name changed from ITE Employee Leasing in fiscal 2008);

Navistar Defense, LLC;

International Big Bore Diesel of Alabama, LLC (dissolved in fiscal 2009)

Navistar, Inc.
Supplemental Benefit Trust Profit Sharing Plan Calculation Reconciliation
For the Year Ended October 31, 2008

	2008	
Profit Sharing Entities:		
Navistar, Inc. (Previously ITEC)	\$ (1,003,651,472)	
Export Company	-	
Overseas Company	(2,059,309)	
Indianapolis Casting Corporation	(56,315,309)	
GVW Workhorse Custom Chassis LLC (UAW)	(38,015,635)	
IC Corporation (Conway, Arkansas)	12,196,844	
Pre-Tax Income (Loss) of Navistar, Inc. Continuing U.S. Operations Before Provision for Profit Sharing and Bonuses	\$ (1,087,844,882)	
Net Income Navistar Financial Corporation (NFC)	(30,699,945)	
Navistar International Corporation (NIC, Holding Company)	136,615,383	
Pre-Tax Income (Loss) of Navistar, Inc. Continuing U.S. Operations Before Provision for Profit Sharing and Bonuses and Adjustments	\$ (981,929,444)	a
Entities not part of UAW calculation (a)		
Pre-Tax Earnings - Net	\$ 1,194,579,456	
Provision for Taxes - Net	(394,845,372)	
Net Income of Entities not part of UAW Calculations	\$ 799,734,084	b
Profits (Losses) Eligible for Profit Sharing before Adjustments	\$ (182,195,360)	a+b=c
Adjustments		
Medicare Act	(37,930,000)	d
(Gain) / Loss on Disposal of Assets	4,370,784	e
Profits (Losses) Eligible for Profit Sharing	\$ (215,754,576)	c+d+e=y
Addbacks to reconcile to Annual Report		
Taxes on NFC	\$ (14,100,000)	
Taxes on UAW Non-Profit Sharing entities	394,845,372	
Medicare Act	37,930,000	
(Gain) / Loss on Disposal of Assets	(4,370,784)	
Non-Consolidated Income	70,500,235	
Profit Sharing and Bonus Payment Accruals (PS/ST/AI)	(78,482,172)	
Total	\$ 406,322,651	z
Pre-Tax Income	\$ 190,568,076	y+z=j
Income Tax (Expense)/Credit	(56,621,103)	k
Net Income (Loss) from Continuing Operations	\$ 133,946,973	

Reconciliation to audited financial statements (in millions):		
Income (Loss) from Continuing Operations Before Income Taxes	\$ 191	j
Income tax (expense) benefit	(57)	k
Net Income (Loss) from Continuing Operations	\$ 134	
Discontinued Operations	-	
Net Income	\$ 134	

(a) Andriod Industries;
 Arrendadora Financiera Navistar, S.A. de C.V. SOFOM (AFN) merged into Navistar Financial, S.A. de C.V. SOFOM E.N.R. in fiscal 2008;
 MWM International Industria de Motores da America do Sul Ltda. (Brazil and includes ICB/IESA/Maxion);
 Navistar Canada, Inc. (name changed from International Truck and Engine Corporation Canada in fiscal 2008)
 Navistar International Transportation de Columbia, Ltda.;
 International DealCors Operations, Ltd. (including Maudin International Parts and Services of Daytona Beach, LLC);
 Harbor Assurance Company of Bermuda, Ltd.;
 Heart International;
 IC Bus of Oklahoma, LLC (changed from IC of Oklahoma, LLC in fiscal 2008);
 Navistar Diesel of Alabama, LLC (name changed from International Diesel of Alabama, LLC in fiscal 2008);
 International Engines Germany GmbH;
 International Truck and Engine Investments Corporation;
 International of Mexico Holding Company;
 Navistar Diesel Components, Inc. (Dissolved fiscal 2009);
 Navistar Acceptance Corporation, Ltd, (NAC);
 Navistar Aftermarket Products, Inc. (NAVAFTRP);
 Navistar Advanced Technologies Incorporated (NAT);
 Navistar Comercial, S.A. de C.V.;
 Newstream Enterprises, LLC;
 NLP, Inc;
 Servicios Financieros Navistar, S.A. de C.V.(SFN) name changed to Navistar Financial, S.A. de C.V. SOFOM E.N.R. in fiscal 2008;
 SST Truck Company, LLC;
 Workhorse International Holding Company;
 Uptime Parts, LLC;
 International Engineering Solutions, LLC (dissolved in fiscal 2008);
 Navistar International Employee Leasing Company (name changed from ITE Employee Leasing in fiscal 2008);
 Navistar Defense, LLC;
 International Big Bore Diesel of Alabama, LLC (dissolved in fiscal 2009)

Navistar, Inc.
Supplemental Benefit Trust Profit Sharing Plan Calculation Reconciliation
For the Year Ended October 31, 2009

	2009	
Profit Sharing Entities:		
Navistar, Inc. (Previously ITEC)	\$ (607,994,783)	
Export Company	-	
Overseas Company	(2,284,740)	
Indianapolis Casting Corporation	2,659,653	
GVW Workhorse Custom Chassis LLC (UAW)	(68,387,135)	
IC Corporation (Conway, Arkansas)	881,444	
Pre-Tax Income (Loss) of Navistar, Inc. Continuing U.S. Operations Before Provision for Profit Sharing and Bonuses	\$ (675,125,561)	
Net Income Navistar Financial Corporation (NFC)	28,754,308	
Navistar International Corporation (NIC, Holding Company)	843,398	
Pre-Tax Income (Loss) of Navistar, Inc. Continuing U.S. Operations Before Provision for Profit Sharing and Bonuses and Adjustments	\$ (645,527,855)	a
Entities not part of UAW calculation (a)		
Pre-Tax Earnings - Net	\$ 1,000,088,248	
Provision for Taxes - Net	(348,302,394)	
Net Income of Entities not part of UAW Calculations	\$ 651,785,854	b
Profits (Losses) Eligible for Profit Sharing before Adjustments	\$ 6,257,999	a+b=c
Adjustments		
Medicare Act	(31,154,000)	d
(Gain) / Loss on Disposal of Assets	(2,264,540)	e
Profits (Losses) Eligible for Profit Sharing	\$ (27,160,541)	c+d+e=y
Addbacks to reconcile to Annual Report		
Taxes on NFC	\$ 17,880,810	
Taxes on UAW Non-Profit Sharing entities	348,302,394	
Medicare Act	31,154,000	
(Gain) / Loss on Disposal of Assets	2,264,540	
Non-Consolidated Income	21,839,376	
Profit Sharing and Bonus Payment Accruals (PS/ST/AI)	(59,652,451)	
Total	\$ 361,788,669	z
Pre-Tax Income including Minority Interest	\$ 334,628,128	y+z=j
Income Tax (Expense)/Credit	(37,451,996)	
Net Income before extraordinary gain	\$ 297,176,132	
Extraordinary Gain, net of tax	23,140,927	
Net Income (Loss) from Continuing Operations	\$ 320,317,059	

Reconciliation to audited financial statements (in millions):		
Income (loss) from before income taxes, minority interest, and	\$ 359	
Income tax (expense)	(37)	
Income (loss) from before minority interest, and extraordinary gain	\$ 322	
Minority Interest in net income of subsidiaries, net of tax	\$ (25)	
Income (loss) before extraordinary gain	\$ 297	
Extraordinary Gain, net of Tax	\$ 23	
Net Income (loss)	\$ 320	

- (a) **Andriod Industries:**
 Armadaadora Financiera Navistar, S.A. de C.V. SOFOM (AFN) merged into Navistar Financial, S.A. de C.V. SOFOM E.N.R. in fiscal 2008;
 MWM International Industria de Motores da America do Sul Ltda. (Brazil and includes ICB/IESA/Muxion);
 Navistar Canada, Inc. (name changed from International Truck and Engine Company of Canada in fiscal 2008);
 Navistar International Transportation de Colombia, Ltda. (dissolved fiscal 2010);
 International DailCores Operations, Ltd. (including Masulin International Parts and Services of Daytonu Bosch, LLC);
 Harbor Assurance Company of Bermuda, Ltd.;
 Hunt International;
 IC Corp - Tulsa (aka IC Bus of Oklahoma, LLC);
 Navistar Diesel of Alabama, LLC (name changed from International Diesel of Alabama, LLC in fiscal 2008);
 International Engines Germany GmbH;
 International Truck and Engine Investments Corporation;
 International of Mexico Holding Company;
 Navistar Diesel Components, Inc. (Dissolved fiscal 2009);
 Navistar Acceptance Corporation, Ltd. (NAC);
 Navistar Aftermarket Products, Inc. (NAVAFTRP);
 Navistar Advanced Technologies Incorporated (NAT);
 Navistar Comercial, S.A. de C.V.;
 Newstream Enterprises, LLC;
 NLP, Inc;
 Servicio Financiero Navistar, S.A. de C.V.(SFN) name changed to Navistar Financial, S.A. de C.V. SOFOM E.N.R. in fiscal 2008;
 SST Truck Company, LLC;
 Workhorse International Holding Company;
 Uptime Parts, LLC;
 Navistar International Employee Leasing Company (name changed from ITE Employee Leasing in fiscal 2008);
 Navistar Defense, LLC;
 Monaco RV, LLC;
 Blue Diamond Parts

Supplemental Benefit Trust
Straight Time Hours Summary by Fiscal Year

Group	2004	2005	2006	2007	2008¹	2009
Garland	1,108,162	819,822	1,065,408	857,774	944,704	834,321
Tulsa	1,284,578	1,408,312	1,533,309	1,491,097	1,395,599	1,600,278
Huntsville	323,895	372,297	465,672	494,083	462,602	514,650
Uptime (Acq. 8/05)	N/A	16,264	154,287	92,205	90,369	98,923
Monaco (Acq. 7/09)	N/A	N/A	N/A	N/A	N/A	457,139
Conway, Workhorse, Waukesha, and All Other Represented & Non- Represented (Level 1-5)**	13,385,246	13,390,471	13,269,291	14,069,859	8,814,130	8,482,665
Total Represented and Non- Represented (Level 1-5)	16,101,881	16,007,166	16,487,967	17,005,018	11,707,404	11,987,976

¹ Straight Time Hours are lower number due to UAW Strike and Layoffs at multiple plants